

C4AC324

SyBCom-IV  
A/c & AM  
12/3/24

Duration: 3 Hours

Total Marks :100

NOTE :

1. All the questions are compulsory with internal options.
2. Each question carry 20 marks.
3. Working notes form part of your answer.
4. Use of only simple calculator is allowed.

Q.1] A

Multiple choice questions: (Any 10)

(10)

- 1) \_\_\_\_\_ should form part of one person company.  
a) LLP  
b) OPC  
c) Public Limited  
d) Private Limited
- 2) Unclaimed dividend is shown under \_\_\_\_\_  
a) Current Assets  
b) Current Liabilities  
c) Reserves and Surplus  
d) Long Term Borrowings
- 3) Sweat Equity shares are issued to \_\_\_\_\_  
a) Existing Shareholders  
b) Employees  
c) Auditors  
d) Directors
- 4) Trade Payables includes \_\_\_\_\_  
a) Creditors for Goods  
b) Creditors for Expenses  
c) Creditors for assets purchased  
d) All the above
- 5) Debentures may be issued at \_\_\_\_\_  
a) Par  
b) Discount  
c) Premium  
d) All the Above
- 6) The shares offered free of cost are called as \_\_\_\_\_  
a) Right Shares  
b) Bonus Shares  
c) Preference Shares  
d) Priority Shares
- 7) Dividend is usually paid to shareholders as a percentage of \_\_\_\_\_  
a) Paid up capital  
b) Net Profit  
c) Called up capital  
d) Authorized capital
- 8) Capital Redemption Reserve can be utilized for \_\_\_\_\_  
a) Payment of Dividend  
b) Issue of Right Shares  
c) Issue of fully paid bonus shares  
d) Setting off against losses
- 9) The redemption amount remaining unpaid to preference shareholders is shown in the balance sheet as \_\_\_\_\_  
a) Current Liabilities  
b) Loan  
c) Share Capital  
d) Contingent Liabilities
- 10) The claim of debentures holders on redemption is credited to \_\_\_\_\_  
a) Cash / Bank A/c  
b) Sinking Fund A/c  
c) Debenture holder's A/c  
d) General Reserve A/c
- 11) The excess of consideration paid over net value of assets taken is called \_\_\_\_\_  
a) Securities Premium  
b) Goodwill  
c) Capital Reserve  
d) Profit & Loss

- 12) Profit prior to incorporation is available for payment of \_\_\_\_\_
- a) Dividend
  - b) Interest on Debenture
  - c) Both (a) and (b)
  - d) None of the Above

**Q.1] B State whether the following statements are True or False (Any 10)**

(10)

- 1) Authorized capital is disclosed only for information.
- 2) The shares of all companies are listed on the stock exchange.
- 3) Participating preference shareholders can participate and vote on all matters affecting the company.
- 4) Debenture fund is called as Debt Capital.
- 5) In case of redemption of debentures, creation of Debenture Redemption Reserve is optional to the company.
- 6) Capital Reserve and Reserve Capital are one and the same.
- 7) Issue of Bonus shares results in conversion of profit into share capital
- 8) Premium on redemption of shares is adjusted out of profits.
- 9) Depreciation on delivery van is allocated in Sales ratio.
- 10) After redemption of debentures, balance in Debenture Redemption Reserve is transferred to General Reserve Account.
- 11) The assets offered as security are released after redemption debentures.
- 12) Profit prior to incorporation is transferred to General Reserve.

**Q.2] Following is the summary Balance sheet of M/S Ujwal Ltd. as on 31-12-2017:**

(20)

Liabilities	Amount (₹)	Assets	Amount (₹)
2, 000; Equity Shares of ₹ 100 each	2, 00, 000	Fixed Assets	3, 00, 000
1, 000; 9% Redeemable Preference shares of ₹ 100 each	1, 00, 000	<b>Current Assets</b> (Including Bank balance of ₹1, 00, 000)	2, 20, 000
Less: Calls in Arrears (₹ 25 per Share) 500	99, 500		
General Reserve	48, 000		
Sundry Creditors	1, 22, 500		
Bills Payable	50, 000		
<b>Total</b>	<b>5, 20, 000</b>	<b>Total</b>	<b>5, 20, 000</b>

The Directors forfeited preference shares for non-payment of calls after giving notice to the Shareholders and thereafter redeemed the preference shares at a premium of 10%. For redemption, the company made a fresh issue of 640 Equity shares of ₹ 100 each at a premium of 5%. All the shares were subscribed and fully paid. Pass journal entries for the above transactions.

**OR**

**Q.2] The summarized Balance Sheet of Sterling as on 31-12-2016 was as follows:**

(20)

Liabilities	Amount (₹)	Assets	Amount (₹)
Share Capital: Issued and Paid Up		Sundry Assets	34, 00, 000
10, 000; 8% Redeemable Preference shares of ₹ 100 each.	10, 00, 000	Cash	6, 00, 000
1, 00, 000 Equity Shares of ₹ 10 each	10, 00, 000		
Capital Reserve	5, 00, 000		
General Reserve	2, 00, 000		
Profit & Loss Account	9, 50, 000		
Creditors	3, 50, 000		
<b>Total</b>	<b>40, 00, 0000</b>	<b>Total</b>	<b>40, 00, 0000</b>

The preference shares were redeemable on 31-03-2017 at a premium of 25%. For the purpose the company decided to issue 50, 000 Equity shares of ₹ 10 each at a premium of ₹ 4 per share payable in full on 15-03-2017. Ignore dividend due.  
Show necessary ledger accounts

- Q.3] A company was incorporated on 1<sup>st</sup> August, 2016 to take over a business from the preceding 1<sup>st</sup> April. The accounts were made up to 31<sup>st</sup> March, 2017 as usual and the statements of profit & loss gave the following result. (20)

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2017.**

Particulars	₹' 000
1) Revenue From Operations	1, 200.00
2) Other Income	Nil
<b>I. Total Revenue</b>	<b>1, 200.00</b>
Less: Expenses	
1) Cost of Sales	900.00
2) Salaries	51.00
3) Travellers' Commission	12.00
4) Directors Fees	20.00
5) Debenture Interest	4.50
6) Depreciation	6.00
7) Rent, Rates and Insurance	18.00
8) Office Expenses	48.00
9) Discounts	15.00
10) Bad-debts	3.00
11) Audit Fees	<u>7.50</u>
<b>II. Total Expenses</b>	<b>1085.00</b>
<b>Profit for the year (I-II)</b>	<b>115.00</b>

It is ascertained that sales for February, 2017 and March, 2017 are one and half times the average for the year. Apportion the year's profit between the pre-incorporation and the post-incorporation period.

**OR**

- Q.3] XYZ Ltd. Issued 200, 15% Debentures of ₹ 100 each on April 1, 2018 at discount of 10% redeemable at premium of 10% out of profits. Give journal entries at the time of issue and redemption of debentures if Debentures are to be redeemed in lump sum at the end of 4<sup>th</sup> year. The company has invested the requisite amount as stipulated in the act for the redemption of debentures. Pass necessary journal entries if: (a) XYZ Ltd. Is a listed company (b) XYZ is other unlisted company. (20)

- Q.4] Baneshwar Ltd. was incorporated on 1<sup>st</sup> September 2016 to take over the business of Ekta and Gomati, a partnership firm with effect from 1<sup>st</sup> April, 2016. Following is their profit & loss account for the year ended 31<sup>st</sup> March, 2017. (20)

Particulars	Amount (₹)	Particulars	Amount (₹)
To Salaries	39, 000	By Gross Profit	1, 80, 000
To Rent	8, 000	By Interest on Fixed deposits	12, 000
To Bad Debts	11, 000		
To Office Expenses	2, 400		
To Director Fees	1, 000		
To Debenture Interest	2, 800		
To Selling Expenses	24, 300		
To Salary to Partners	5, 000		
To Printing & Stationery	6, 000		
To Preliminary Expenses	1, 500		
<b>To Net Profit</b>	<b>91, 000</b>		
<b>Total</b>	<b>1, 92, 000</b>	<b>Total</b>	<b>1, 92, 000</b>

### **Additional Information:**

- 1) Average monthly turnover from October 2016 to March 2017 was twice the average monthly turnover from April, 2016 to September 2016.
- 2) Rent is doubled from 1<sup>st</sup> December 2016.
- 3) Bad-debts include ₹ 2, 000 in respect of sales affected two years ago. Remaining bad-debts are out of sales affected throughout the year.
- 4) Salaries include salary of three employees at equal monthly remuneration. However, one of them was appointed as manager from 1<sup>st</sup> January, 2017. His salary was doubled

from that date.

5) Interest on fixed deposits was received for the entire year.

Prepare Statement of Profit and Loss of Baneshwar Ltd. for the year ended 31<sup>st</sup> March, 2017 in the columnar form apportioning all the income and expenditure items between pre-incorporation period and post-incorporation period on suitable basis.

OR

Q.4] Vasundhara Ltd. has 6000; 8% Debentures of ₹ 100 each due for redemption in 4 equal annual installments starting from March 31<sup>st</sup>, 2013. Company decided to create DRR at 25%. Debenture Redemption Reserve has a balance of ₹ 70, 000 as on that date. Company decided to create further DRR of ₹ 80, 000 on 31<sup>st</sup> March, 2013. Record necessary journal entries. The company complied with the requirements with respect to investment made in government securities on 30<sup>th</sup> April, 2012. (20)

Q.5] a) What are different types of Debentures? (10)

b) Distinguish between Shares and Debentures? (10)

OR

Q.5] Write short notes (Any 4) (20)

a) Escrow Account

b) Bonus Shares

c) Debenture Redemption Reserve

d) Non-Divisible Profit

e) Partnership Ltd. VS Limited Company

f) Profit Prior to Incorporation